OUR NATIONAL BANKS.

Letter from Jay Cooke, the

The Origin of the National Banking System.

THE PRESENT POSITION OF THE BANKS.

SANDUNKY, Ohio, Oct. 11, 1867. ait us to ask you to give, at your

tous flooding the country with an irredeematic and, to a great extent, unsecured paper currency, which long before the close of hostilities must have led to financial dieaster and colapse; for not only would the then existing banks have greatly increased their circulation, but hundreds of others would have been established to profit by the confusion of the times. This increase of banks would esturally have been greatest in those States where the greatest hoense of circulation prevailed and where there were fewest checks unon irresponsible banking. As the only means of bringing financial order out of chaos, or giving the country a safe and uniform currency, of restoring the confidence of the people, and, shove all, of turnishing the 'inews of war, our government originated, organized and put in successful operation that splendid system of national banking institutions which did much to enable the nation to meet its enormous expenditures, fight the war to a victorious of our great struggle.

The plan thus devised and put in operation was not designed as a temporary expedient to meet a great emercency and die with it, but was meant to be a permanent inancis; system, which should not only strengthen the nation during a costy war, but also benefit the people through many years of peace.

Before introducing the new system it was necessary to remove the old, and the latter was induced to leave the field partly in consideration of the beneficial features of the new system, and partly by compulsion. Certain rights and privileges were profiered by the government to the old banking corporations if they would surrender their State charters, retire their circulation and organize under the uniform plan new known as the national banking system. Where these inducements were insufficient to effect the change, the stimulus of force was applied in the shape of a special tax on the circulation of all State banks. One of these conditions and conformed themselves to the national park may system. Other condition of the change from th

the condition mentioned may at the outset appear in its true character, as one of the terms of the contract between the national government and the old banking on portations.

The change from the old plan to the new was rapid and complete. The immediate results of the change, although important by your measure, may be sketched in a single sentence;—If swept from existence a corrency which was at once mongrel in appearance, unstable in value, and, with few exceptions, insecure in cheracter, and substituted therefor a currency uniform in feature, every where equal in worth and sale as the republic laself.

It secured for the government an immediate and much needed loan of three hundred millions of bank capital, and established throughout the country exteen nundred most efficient and responsible agents for the negotiation and dissemination of other and far greater loans. I am glad of this opportunity of bearing winess to the fact that not only in negotiating the first five hundred and fourteen million loan of five-twenties, but more particularly in the subsequent negotiation of the eight hundred and thirty millions of seven-thirties, the country was largely indebted to the national makes for the prompthess with which the national Treasury was supplied with sorely meeded funds. And the late soldiers of the Union army should understand that at a time when their monthly pay was largely in a rears, the money not only for their subsistence even, was raised through the active and earnest cooperation of these same national banks.

Such was the origin of the national banking system.

If —CUARLACTER OF THE NATIONAL BANK CORRENCY.

The notes of the national banks possess every element required in a good circulating medium. As already remarked they are uniform in appearance, everywhere equal in value and just as secure as public and private credit combined ean make them.

First—This uniformity in the appearance of the unitoral bank notes enables every one, even those who cannot read, to recognize the currency here rules and

before, wholly unaffected by the suspension or destruction of the bank whose name they bear; for the United
States bonds piedged for their redemption stull remain
deposited in the national Treasury, and will so remain
until the scattered notes are gathered up and redeemed
at par by the Treasury Pepartment.

In this connection I may as well refer to the remark of
Mr. Treasurer Spinner that "the notes of a broken national bank are better than those of a solvent one." In
the state of the same and the same and the same and
the same regard this saying is true, and it becomes
true in this we regard this saying is true, and it becomes
true in the thing of the same and the same and
years, as well as many old ones, are deprived of their
sinare of circulation until Congress shall extend the
limit. When, therefore, a national bank having a circulation surrenders its charter and goes out of existence,
or is closed up by the government for any came, any
national bank not having its share of circulation, by
getting special permission from the Treasury Department and by gathering up the scattered notes of the
defounct institution and presenting them at the United
States Treasury for cancellations, can have the amount
of circulation thus cancelled transferred to itself. In
thus gathering up the scattered notes of the
defounct institution and presenting them at the United
States Treasury for cancellation, can have the amount
of circulation thus cancelled transferred to itself. In
thus gathering up the scattered notes of an existing solvent
hank,
paries sometimes offer a premium of from two to five
per cest for them, thus making them for the time being
thank,
price sometimes offer a premium of from two to five
per cest for them, thus making them for the time being
thank,
price sometimes of the premium of the only of the
certain class of positicians. My answer is this.—

**Frie—Even if it were true that the government is
paying eignteen millions and united the premium
thank, to the contract to
the contract to the contract

made. In making of and the banks stand credited with the following:

1—Six per cent interest on \$114,000,000 in legal tenders held by the banks as a reserve for deposits.

2—Six per cent interest on \$60,000,000 held as reserve for circulation.

3,600,000 circulation interest on \$60,000,000 held as reserve for circulation.

4—One half of one per cent per annum tax on \$571,000,000 of deposits.

5—One-half of one per cent per annum tax on amount of capital of national banks not invested in government bonds.

6—One-half of one per cent per annum tax on dividends and amount placed to surplus fund of banks during the past year.

7—Two dollars per thousand per annum heense tax on \$424,000,000 of capital.

8—Amount of State taxes paid by the national banks during the past year, as reported to the Treasury Department.

\$28,943,000

JUDGE CHASE AND THE NATIONAL BANKS.

JUDGE CHASE AND THE NATIONAL BANKS.

[From the Sandusky Register, Jay Cooke's organ.]

When Judge Chase first orged upon Congress the passage of the National Banking act he found few to second his efforts, but, pressed by a great responsibility and exercising a statesmanlike forecast for which history at last will give him due credit, he labored on until he converted a majority of Congress to his views, and the National Banking system was inaugurated. Every of er means for raising the needed funds to carry on the war having failed, the then Secretary had promised Congress that if they would adopt this measure he would be responsible that money was forthcoming. The result more than justified his confident prediction. Three hundred millions of bank capital was poured into the empty Treasury at a most critical period of the war; the comparatively irresponsible banking institutions and the unsecured currency of the States were together swept out of existence; a uniform and perfectly secured currency was given to the country, and more than a thousand efficient and responsible agencies were establi-bed in all parts of the land, which alded very materially in the negotiation and absorption of future government loans. The finances of the nation were changed from chaos into order, from weskness into strength, from insecurity into soundness and safety.

NEW JERSEY.

Jersey City.

Moss Innumant.—A male feetus was found floating in the water at the Scranton dock, about five o'clock pheterday afternoon. Coroner Warren was notified and gave orders to have it interred, an inquest being deemed unnecessary.

Democratic Normation.—Mr. Hoses F. Clark was re-

neminated by the Democratic Convention of the Second Assembly district on Monday night.

A Mas Killed at the Policies.

A Mas Killed at the Policies adjoining the Morris and Essex depot were sold by auction, the buildings to be removed within a given time to make way for the proposed improvements at the depot and the ferry. A young man, named Peter Kerrgan, had been attending the crab which was employed for removing one of the houses on Monday evening, when a sudden strain caused the lever to fly round, striking him a sunning blow, from which he never railied, but died yesterday. Deceased was twenty-three years of age sud had been married only five months, since which he has resided in the meadows. He came to this country from Ireland a year and a half age.

Newark.

THE LATE SUCIOE.—All sorts of remore are affect in relation to the recent suicide in this city, which was published in the Herald Peeterday. A report having spread that the brother of the suicide had been foully dealt with, the police made a searching examination of the premises, but nothing could be found to sustain the story. The brother disappeared in a very mysterious manner, leaving his trunks, clothing, &c, behind him, and it is known that the two mes had a quarrel previously. Mr. Ungerer, proprietor of a cigar store directly opposite that of the deceased, has been appointed to administer upon the effects of deceased.

MELANCHOLY SUCIOE.—A melangholy affair took place

directly opposite that of the deceased, has been appointed to administer upon the effects of deceased.

Paterness.

MELANCHOLY SUICIDE.—A melancholy affair took place here on Monday night, which has resulted in the death of a very promising young man. For some three years past the young man, whose name is Abraham Prail, and belonging to a respectable family, has been subject to fits of despondency, and which latterly seemed to have become more frequent, especially since the death of his brother. The lamily tried all means to rouse him from his morbid fancies, but to no purpose. On Monday night a cousin of the young man, Mr. Mortimer Prail, was on a visit and occupied a room next to Abraham's. About one o'clock yessurday morning he looked into his cousin's room and found him apparently asiesp. A few minutes after the whole family were startled at the report of a gun coming apparently from Abraham's room. The door was forced opes and there lay the young man on the foor. Dr. Van Blarcom was immediately sent for, who was soon on the spot, and, upon examining the body of the unfortunate youth, found the top of his nead completely blown off. The deed was committed with a double-barrelled gun. Coroner McDowel was notified, but deemed it quitepunecessary to hold an inquest. The sad event has caused a great deal of exciptions.

of the Vanderbilt and Dean Richmond Col-lision by the United States Inspectors of

Dean Richmond at all after the whistie was blown, and we did everything we could to avert a collision; I saw that it was out of our power to get to the westward of the Vanderbilt, so I bewe the airm whistie and gave the order to stop; there was nothing don: wrong aboard un; I wasched the course and wheels of the Vanderbilt as she came up; I did not see her wheels stop until ane was just within sixty feet of us, when they began to turn back; our pitch house was about thirty feet above the level of the wase. I don't don't show when they began to turn back; our pitch house was about thirty feet above the level of the wasch and the level of the vanderbilt was wrenched round all to one side and broken tike; the Daan Richmond had filled at once, but had not sunk up to the time they got the passengers off; where we were the channel was pretty deep, and the water about sixty-five or seventy feet in depth; the Dean did not touch bottom until she grounded off Mr. Kelly's place, this side of Khinebeck; according to what the cerk told me there were some hourded and fitty passengers on beard us; if did not take long to take them alt off; the Drew came down about twenty munutes after the collision; we did not signal her; she came down to us of her own accord; don't know what pa-sengers she took off, believe she took some; I saw Can. Curits come out of his room, which is just at the foot of the pitor house the stop of the sto

emeraency.

The investigation was adjourned at the conclusion of this testimony until the next meeting of the board. As there are a number of winesses to be heard on both sides, the inquiry will probably last some days.

VISIT OF THE BOSTON FUSILEERS.

Yesterday morning at-nine o'clock over a hundred men and officers compr.sing the entire battalion of the Boston Fusileers landed at Pier 39 North river, from Boston Fusileers landed at Pier 39 North river, from the steamer City of Lawrence, on a visit to New York as guests of the Seventy-first regiment. The morning was exceedingly foggy, and the steamer had in consequence to thread her way slowly and cautiously up the river, losing thereby nearly five hours of time. The right wing of the Seventy first was drawn up in Vestry street for a considerable time awaining the arrival of the steamer. The men of this regiment, always neat and soldierlike in their appearance, made a fine display and manusured with the precision of vestrains. They were under the command of Lieutenant Co onel Rockafellar, supported by the following officers:—Laptaens G. D. Woicett, Amos See, O. P. Smith, Euenson and Webber: Commissary Morris, Adjutant Francis, Lieutenauts Carpenter, Benjamin, Wise. Bruce, Hill, Shade, Cochran and Spiher. They were marched to the dock and drawn up in line the moment the steamer appeared visible through the haze. When the gang way was thrown across and the City of Lawrence lay secured to the what the officers of the Seventy-first poured into the saloons and extended a hearty welcome to the gallant Fusileers. The bat allon was officered as follows:—
Major, Henry A. Now; Acting Adjutant, Major John

cangway was thrown across and the Chry of Lawrence hay secured to the saloens and extended a hearty welcome to the galiant Fusileers. The battalion was officered as follows:

Major, Henry A. Snow; Acting Adjutant, Major John McDonough; Paymaster, Lieu canat Colonel A. N. Proctor; Quariermaster, Lieu canat Ira K. Maasfield; Surgeon, Dr. Wolkiam R. Wrish; A. sarstant Surgeon, Robert H. White, Jr.; Commissary Sorgeaut, John C. Martin. There were also on the staff tolonel William Mitchell. A former captain; Captain Henry Parkinson, Captain J. Q. A. Bird and Lieutenant Andrew Gorham. Company A. Captain Frank H. Ward; Company B. Lieutenant Charles Jarvis; tompany C. Lieutenant J. Q. A. Bird and Lieutenant Andrew Gorham. Company A. Captain Frank H. Ward; Company B. Lieutenant Charles Jarvis; tompany C. Lieutenant J. Q. W. W. Majoram; Company D. Captain Albert D. Proctor.

The Boston Fusileers were organized in 1787, and, with the exception of the Ancient Honoraoles, are the oldest military organization in the service. In the late rebellion the battalion liself not only took an active part, but also raised two additional companies to and in cause of the Union. They are now attached to the First Massachusetts Militia regiment, and the sarlest tunic for which they were distinguished before the war has been substituted for one of gray, siashed and braiedd with black. A triple row of brass buttons in front and epanicties of heavy good cored give an attractive appearance to an otherwise sombre-looking uniform, and the white-plumed shake giv. an additional picturesqueess to the outst. The Fusileer's and the service appearance to an otherwise sombre-looking uniform, and the white-plumed shake giv. an additional picturesqueess to the outst. The Fusileer's have been meditating this trip for some time past. About two years ago two companies, B. and H. of the Seventy-first pad a visit to Beaton and were very cordially received; in return the Fusileer have come to the Empire City to call upon their quondam gent and the former part